

Alternative assets in Asia

Karen O'Hanlon of First Names Group elaborates on what are alternative assets and dispels misconceptions about this asset class.

Many Asian businesses are fairly young, family-owned firms that span just over two generations. As many of these prepare for a 'change of guard' for the first time, a proper handover of assets and succession planning are some of the biggest challenges they face.

Karen O'Hanlon of First Names Group believes that investing through alternative assets can be one way that HNW and UHNW families can deal with succession planning. "The main advantage of using alternative assets is that they stop the dilution of assets and the splitting up of collection, hence helping in asset protection and succession planning," she says. Alternative assets can, for example, include art, yachts, aeroplanes, cars, or watch collections. Basically, they are alternatives to the usual financial assets, she explains.

DISPELLING MISCONCEPTIONS

Most clients are used to only putting their financial assets into a trust. Hence,

one of industry's biggest misconceptions about alternative assets, says O'Hanlon, is that these assets cannot be put into a trust.

"With careful structuring and working with the right partners, there are various structures that we can put into place to ensure that clients can still enjoy and show their art, drink some wine or enjoy their watches," she adds.

First Names Group also ensures that there is adequate and appropriate insurance covering their clients' assets.

O'Hanlon says it is their fiduciary duty to insure the assets for the protection of the client and for future beneficiaries. Therefore, clients can also be assured that their assets will be safe with the firm.

"We operate in well-regulated jurisdictions, have good professional indemnity, and some of our clients have been



KAREN O'HANLON
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with us for more than 25 years. We want to be able to give enough security to our clients so that they can sleep better at night," she says. ■